CITY OF HASLET, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2015

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CITY OF HASLET, TEXAS

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
2401 Garden Park Court, Suite B
Arlington, Texas 76013

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Haslet, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas as of and for the year ended September 30, 2015, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas as of September 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Texas Society of Certified Public Accountants
Fax (817) 861-9623

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the City of Haslet, Texas' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Change in Accounting Principle

As discussed in Note III. B. to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. Our opinion is not modified with respect to this matter.

Rutledge Crain & Company, PC

January 16, 2016

The City of Haslet, Texas (the "City") Management's Discussion and Analysis (MD&A) is a narrative overview and analysis designed to provide the reader a means to identify and understand the financial activity of the City and changes in the City's financial position during the fiscal year ended September 30, 2015.

The Management's Discussion and Analysis is supplemental to, and should be considered along with the City's financial statements.

Financial Highlights

1. The assets and deferred outflows of resources of the City of Haslet exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $24,137,961.

2. The City's net positon increased by $518,771.

3. As of September 30, 2015 the City of Haslet's governmental funds reported combined ending fund balances of $5,850,095, an increase of $150,035 in comparison with the prior fiscal year. Of this amount, $3,535 is nonspendable; $2,292,330 or 39.2% of the total amount is restricted, an increase of $456,068; $1,032,580 or 17.7% is committed, a decrease of $239,584; and $2,521,650 or 43.1% of the total amount is unassigned, a decrease of $61,148.

4. As of September 30, 2015, the fund balance for the General Fund decreased by $69,446. Unassigned General Fund balance is $2,521,650, or 92.5% of the total expenditures for the General Fund for 2015.

5. The City's long-term debt increased by $3,863,680 after scheduled payments were made to creditors. During 2015, the City issued $4,155,000 of new certificates of obligation for use by the water and sewer fund.

Overview of the Financial Statements

The MD&A is intended to introduce the reader to the City's basic financial statements, which are comprised of three components: 1. Government Wide Financial Statements, 2. Fund Financial Statements, and 3. Notes to those Financial Statements. The report also contains other required supplementary information in addition to the basic financial statements.

Government Wide Financial Statements – the government wide financial statements are designed to provide the reader with a general overview of the City's finances in a way that is comparable with financial statements from the private sector. The government wide financial statements consist of two statements:

1. The Statement of Net positon – (Exhibit A-1) this statement presents information on all of the City's assets deferred outflows of resources, liabilities; and deferred inflows of resources; the difference between these is reported as net positon. Over an extended period, the increase or decrease in net positon will serve as a good indicator of whether the financial position of the City is improving or deteriorating.

2. The Statement of Activities – (Exhibit A-2) gives information showing how the City's net positon has changed during the fiscal year. All revenues and expenses are reported on the full accrual basis so certain revenue and expense items will result in cash flows in future fiscal periods (such as uncollected taxes or unused vacation leave).

In the above statements, the City's operations are separated into two different types of activities:

1. Governmental Activities – where most of the City's basic activities are reported. These include general government, fire, streets, parks, municipal court, library, public safety, finance, fire marshal, economic development, and public works. Normally, these operations are financed by property taxes, sales taxes, franchise fees, licenses and permits and fines.

2. Business-Type Activity – in this activity, the City charges fees to finance its operations. Examples of this are the City's water and sewer services.

Note: the government-wide financial statements are found on pages 13 thru 15 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been set aside for specific activities or objectives. Fund financial statements provide detailed information about the most important funds and not about the city as a whole as in the government-wide financial statements.

The City uses fund accounting to demonstrate compliance with finance related legal requirements which can be categorized into two activities – government funds and proprietary funds.

Governmental Funds – Most of the City's activities are reported in governmental funds. They are used to account for those functions known as government activities. But unlike government–wide financial statements, governmental fund financial statements focus on how monies flow into and out of those funds and their resulting balances at the end of the fiscal year. Statements of governmental funds provide a detailed short-term view of the City's general government operations and the basic services it provides. Such information can be useful in evaluating a government's short-term financing requirements.

The City maintains eleven governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Haslet Economic Development Fund, and the Capital Projects Fund which are considered to be major funds. Data from the other eight funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts annual appropriated budgets for the general fund, special revenue funds and the debt service fund. The budgets for the capital projects funds are adopted on a project length basis. A budgetary comparison statement is provided for each annually budgeted fund to demonstrate compliance with its budget.

Proprietary Funds – These funds are generally used when the City charges a fee for services and the relationship between the City and citizen is more like a customer and supplier. The fees are usually in amounts sufficient to cover the costs associated with providing the service. Proprietary funds provide the same type of information as the government-wide financial statements but in more detail, such as cash flows.

The proprietary fund financial statements provide information for the City's Utility (Water and Sewer) system, which is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-45.

Government-wide Financial Analysis

This statement highlights the information provided in both the Statement of Net positon and Statement of Activities in the government-wide financial statements. It may serve over an extended period of time, as a useful indicator of the City's financial position. At the end of the fiscal year, the City's assets exceeded liabilities by $24,137,961. Of this amount, $17,206,121 (71%) reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment, net of accumulated depreciation); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide service to the community; therefore these assets are not available for future spending.

Government Activities Comparison

Capital assets increased $160,580 overall due to depreciation ($732,549) and acquisitions of land for $587,959; additions to construction in progress for $51,162; additions to buildings and improvements for $23,300; additions to tools and equipment for $11,064; additions to vehicles for $39,343; additions to other improvements for $16,730; and additions to street and drainage improvements for $173,369. Long-term liabilities decreased $261,330 with payments made to reduce bonded debt, capital leases and other obligations. Other liabilities increased $601,503, due to increases in accounts payable and accrued liabilities.

Business-type Activities Comparison

Current and other assets increased $4,336,140 due to the cash received from issuance of certificates of obligation, acquisition of capital assets and an increase of water sales. Long-term liabilities increased $4,124,751 due to the debt issuance and payments made to reduce capital leases and other obligations. Other liabilities increased $76,190 due to increases in accounts payable and accrued liabilities.

OK

Statement of Net Position

	Government Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	$ 6,985,569	$ 6,162,860	$ 6,442,132	$ 2,105,992	$ 13,427,701	$ 8,268,852
Capital assets	12,223,839	12,063,259	8,716,287	8,916,037	20,940,126	20,979,296
Total Assets	19,209,408	18,226,119	15,158,419	11,022,029	34,367,827	29,248,148
Deferred Outflows of Resources	87,066	15,535	51,339	47,530	138,405	63,065
Liabilities						
Long-term Liabilities	2,618,551	2,879,881	6,167,947	2,043,196	8,786,498	4,923,077
Other Liabilities	956,906	355,403	419,419	343,229	1,376,325	698,632
Total Liabilities	3,575,457	3,235,284	6,587,366	2,386,425	10,162,823	5,621,709
Deferred Inflows of Resources	182,383	42,969	23,065	-	205,448	42,969
Net Position						
Net investment in capital assets	10,448,749	9,381,761	6,757,372	6,881,326	17,206,121	16,263,087
Restricted	989,603	933,094	-	-	989,603	933,094
Unrestricted	4,100,282	4,648,546	1,841,955	1,801,808	5,942,237	6,450,354
Total net position	$ 15,538,634	$ 14,963,401	$ 8,599,327	$ 8,683,134	$ 24,137,961	$ 23,646,535

City operational analysis – The following table provides a summary analysis of the City's operations for the fiscal year ended September 30, 2015. Governmental activities have increased the City's net positon by $598,751 which amounts to a 3% increase in total net positon for the year. The City's business-type activity (i.e. water and sewer fund) has decreased the City's assets by $79,980 which amounts to a 1% decrease in net positon for that activity.

Government Activities Comparison

Revenues

Charges for services increased $213,878 due to an increase of building permits. Capital grants and contributions increased $113,554. Sales tax increased $381,772 due to equipment purchases made by new businesses locating to the City. Gas royalties decreased $18,304.

Expenses

General Government decreased $184,026 due to decreased street repairs ($197,004); Parks increased $54,221 due to additional personnel and maintenance costs; Public Safety increased $12,952 based on the contract with Tarrant County; Economic Development increased $112,364 due to web design and land acquisition; Public Works increased $66,505 due to personnel re-allocation; and Non-departmental decreased $41,240 due to decreased cost of IT support and security services.

Business-type Comparison

Revenues

Charges for services increased $348,596 due to water and sewer revenues; capital grants and contributions decreased $65,029; and miscellaneous revenue decreased $54,642 due to Trinity River Authority refund reduction of $45,291 and sales of assets decreased $9,351.

Expenses

Water and sewer operations increased $241,101 due to an increase in the cost of water purchases, $166,245, water treatment increase $26,766; and maintenance and repair on water lines, $31,474.

Changes in net position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
Program revenue						
Charges for services	$ 828,198	$ 614,320	$ 1,634,224	$ 1,285,628	$ 2,462,422	$ 1,899,948
Operating grants and contributions	119,000	111,000			119,000	111,000
Capital grants and contributions	256,891	143,337	64,639	129,668	321,530	273,005
General Revenue						
Property tax	1,497,360	1,484,975	-	-	1,497,360	1,484,975
Sales Ttax	1,629,393	1,247,621	-	-	1,629,393	1,247,621
Franchise tax	271,110	228,234	-	-	271,110	228,234
Gas royalties	50,892	69,196	-	-	50,892	69,196
Unrestricted investment earnings	5,367	4,722	11,276	1,489	16,643	6,211
Miscellaneous revenue (expense)	-	-	56,886	111,528	56,886	111,528
Total revenue	4,658,211	3,903,405	1,767,025	1,528,313	6,425,236	5,431,718
Expenses						
Code enforcement	73,279	77,648	-	-	73,279	77,648
General government	413,066	597,092	-	-	413,066	597,092
City secretary	149,544	140,066	-	-	149,544	140,066
Fire	427,438	432,190	-	-	427,438	432,190
Streets	826,421	629,417	-	-	826,421	629,417
Parks	297,552	243,331	-	-	297,552	243,331
Court	96,935	92,689	-	-	96,935	92,689
Library	202,032	188,712	-	-	202,032	188,712
Public safety	588,072	575,120	-	-	588,072	575,120
Finance	116,311	111,287	-	-	116,311	111,287
Fire marshall	7,202	10,364			7,202	10,364
Economic development	237,690	125,326	-	-	237,690	125,326
Public works	313,783	247,278	-	-	313,783	247,278
Nondepartmental	116,502	157,742	-	-	116,502	157,742
Interest and amortization	105,471	111,057	-	-	105,471	111,057
Water and sewer operations	1,083	-	1,934,084	1,692,983	1,935,167	1,692,983
Total expenses	3,972,381	3,739,319	1,934,084	1,692,983	5,906,465	5,432,302
Transfers	(87,079)	100,623	87,079	(100,623)	-	-
Increase (decrease) in net position	$ 598,751	$ 264,709	$ (79,980)	$ (265,293)	$ 518,771	$ (584)

Financial analysis of the City's funds

Government Funds - the main focus of the City's governmental funds is to provide information on the flow of monies to and from the funds, and to note the unreserved fund balance which is a good indicator of resources available for spending in the near term. The information derived from these funds is highly useful in assessing the City's financial requirements. The unreserved fund balance may serve as a useful measure of the governments net resources available for use at the fiscal year end.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of $5,850,095. The City has approximately $813,450 of unspent capital projects bond proceeds for government activities which are restricted. As the proceeds are spent, there will be a similar increase in unrestricted net positon. The City expects to complete the capital projects in Fiscal Year 2016. During the year there was a combined net increase in the fund balances of $150,035.

Proprietary Funds – the City's proprietary fund statements have the same kind of information provided by the governmental statements but are in stated in more detail. Unrestricted net positon of the water and sewer fund amounted to $1,841,955.

The Haslet Community and Economic Development Corporation (Type B) has a total fund balance of $2,679,662 at the end of the fiscal year, an increase of $193,041. Revenues for the fund consistently exceed operational expenditures.

At the end of the fiscal year, the Haslet Economic Development Corporation (Type A) has a total fund balance of $2,204,282, an increase of $432,532. Revenues for the fund consistently exceed operational expenditures.

General fund budgetary highlights

There was an overall positive variance of 7% for revenue budgeted vs. actual revenue. The majority of the increase was in sales tax revenues ($135,799 positive variance) due to equipment purchased by new businesses moving into the City of Haslet, licenses and permits ($56,691 positive variance) due the increase number of permits being issued, and fines ($21,799 positive variance) due to conservative estimation of expected revenue. Actual revenues came in over the final budget by $237,382.

Actual expenditures were under final budgeted expenditures by 7% or $195,168. The major contributing factors to this were: Administration which was under budget by $34,081 due to spending less than budgeted for the mapping system, legal and repair and maintenance needed on City Hall. Fire was under budget by $49,079 due to position in the department not filled the complete year and spending less than budgeted on life insurance for volunteer firefighters; Streets was under budget by $38,114 due to spending less than budgeted for materials; and Economic Development was under budget by $17,516 due to spending less than budgeted on conferences and tradeshows.

Excess of revenues over appropriations

Budgeted revenues of the General Fund exceeded the budgeted expenditures by $354,415; actual revenues exceeded actual expenditures by $786,965 due the factors discussed above.

Capital asset and debt administration

The City's investments of capital assets for its governmental and business-type activities as of September 30, 2015 amounted to $20,940,126 net of accumulated depreciation. They represent a broad range of capital assets including, but not limited to buildings, land, fire equipment, park facilities, roads, water and sewer lines and a storm water system.

For the year ended September 30, 2015, major additions to capital assets for governmental activities include, land and roadway improvements completed or in progress. For business-type activities, the City continued work on water and sewer infrastructure.

Capital assets net of depreciation at September 30, 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 2,106,330	$ 1,518,371	$ 20,142	$ 20,142	$ 2,126,472	$ 1,538,513
Construction in progress	816,177	765,015	261,463	151,174	1,077,640	916,189
Buildings	2,155,508	2,241,900	-	-	2,155,508	2,241,900
Improvements other than buildings	708,046	748,890	-	-	708,046	748,890
Infrastructure	5,947,420	6,207,726	8,349,550	8,633,807	14,296,970	14,841,533
Equipment	227,893	270,390	85,132	110,914	313,025	381,304
Vehicles	262,465	310,967	-	-	262,465	310,967
Total	$ 12,223,839	$ 12,063,259	$ 8,716,287	$ 8,916,037	$ 20,940,126	$ 20,979,296

Major capital asset events during the current fiscal year included the following:

- Purchased three properties to expand existing park behind the fire station.
- Purchased Flail Axe Head for the Street Department.
- Purchased (2) Z Trak mowers for the Parks Department.
- Continued with renovations to Fire Station.
- Purchased new book drop for the Library.
- Purchased truck for Public Works.

- Made improvements to infrastructure roads.
- Made improvements to water and sewer system infrastructure.
- Purchased iPads for Planning and Zoning Commission.

Additional information about the City's capital assets may be found in Note II. C. in the notes to financial statements on pages 36-38 of this report.

Debt administration

Long-Term Debt – at the end of the current fiscal year the City had $8,786,758 in bonded debt, notes payable, capital lease obligations, and accrued compensated absences, an increase of 78% from the previous fiscal year. Of this amount, all is backed by the full faith and credit of the government. The City's general obligation debt maintains an "AA" rating from Standard & Poor's investor services.

General debt currently at September 30, 2015 and 2014:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Certificates of obligation	$ 2,117,000	$ 2,204,000	$ 5,688,000	$ 1,596,000	$ 7,805,000	$ 3,800,000
General obligation bonds	400,400	491,400	369,600	453,600	770,000	945,000
Bond (premium)/discount	(26,146)	(27,349)	103,265	(14,889)	77,119	(42,238)
Note payable	90,464	180,929	-	-	90,464	180,929
Capital lease obligations	6,822	13,447	-	-	6,822	13,447
Accrued compensated absences	30,011	17,455	7,082	8,485	37,093	25,940
Total	$ 2,618,551	$ 2,879,882	$ 6,167,947	$ 2,043,196	$ 8,786,498	$ 4,923,078

Additional information about long-term debt may be found in Note II. E. in the notes to financial statements on pages 39-41 of this report.

Economic factors and next year's budgets and rates

The 2015-2016 Budget reflects the positive financial condition of the City, and the ongoing mission of the Haslet City Council to provide cost-effective programs and responsive services to enhance the quality of life in Haslet. The City accomplishes this through the utilization of sound fiscal policy directives and conservation approach in revenue and expenditure forecasting.

Sales tax revenue and property tax revenue are the two largest revenue sources for the City's governmental funds. Property taxes are expected to increase by around 15% and sales taxes are budgeted to decrease by 35%. The decrease in sales tax is due to the City receiving additional sales tax revenue in fiscal year 2014-2015 for equipment purchased for new businesses that moved into Haslet (which amounted to $289,455 for the General Operating Fund). Due to the nature of the volatility in sales tax receipts, the City has been conservative in projecting sales tax revenue and actual receipts have generally met expectations.

Each year, a major objective of the budget process is to focus on identifying cost-savings measures and to cut expenses however possible. Every line item has written justification. Every request is reviewed with the City Administrator and Finance Director. The non-recurring requests are transferred to a Capital Projects Fund, which is funded by General Fund excess revenues over expenditures at year-end. Overall expenditures for General Fund are expected to increase by 8% due to the City adding one full time Librarian, one full-time Civil Engineer, and partially funding the position of Economic Development Director for the fiscal year 2015-2016.

The Enterprise (Water/Wastewater) Fund's budget decreased by $78,196 or 5%. The City passed a policy to pass through all, or part of the additional charges originating from the City's wholesale contracts with the City of Fort Worth and the Trinity River Authority. For 2014-2015, an increase in water and sewer rates was approved for residential customers. The Enterprise Fund continues to experience extremes in weather conditions. While during fiscal years 2010-2011 through 2013-2014, weather resulted in one of the most extreme droughts on record with lake levels falling and water restrictions being placed in effect, during fiscal year 2014-2015 the area experienced excessive rainfall through June 2015.

Requests for information

Questions concerning any of the information in this report or requests for additional information should be directed to the City of Haslet, Finance Director, 101 Main Street, Haslet, Texas 76052.

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BASIC FINANCIAL STATEMENTS

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CITY OF HASLET, TEXAS

STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	$ 5,709,799	$ 1,923,174	$ 7,632,973	$ 1,600,116
Receivables (net of allowances):				
Taxes	75,102	--	75,102	--
Accounts	2,574	290,287	292,861	--
Miscellaneous	448,792	--	448,792	--
Intergovernmental	407,398	420	407,818	126,954
Inventories	--	8,576	8,576	957,820
Prepaid items	3,535	--	3,535	--
Restricted assets:				
Cash and cash equivalents	250,000	4,205,290	4,455,290	--
Capital assets (net of accumulated depreciation, where applicable)				
Nondepreciable property				
Land	2,106,330	20,142	2,126,472	--
Construction in progress	816,177	261,463	1,077,640	--
Depreciable property				
Buildings	2,155,508	--	2,155,508	--
Improvements other than buildings	708,046	--	708,046	--
Infrastructure	5,947,420	8,349,550	14,296,970	--
Equipment	227,893	85,132	313,025	--
Vehicles	262,465	--	262,465	--
Net pension asset	88,369	14,385	102,754	--
Total Assets	19,209,408	15,158,419	34,367,827	2,684,890
DEFERRED OUTFLOWS OF RESOURCES				
Deferred bond insurance costs	14,452	11,162	25,614	--
Deferred amount from refunding	--	28,356	28,356	--
Deferred pension plan expense	72,614	11,821	84,435	--
Total Deferred Outflows of Resources	87,066	51,339	138,405	--
LIABILITIES				
Accounts payable	183,594	268,507	452,101	2,978
Accrued liabilities	83,466	77,009	160,475	--
Due to other governments	439,846	--	439,846	--
Customer deposits	--	73,903	73,903	2,250
Liabilities payable from restricted assets:				
Escrow for special use permits	250,000	--	250,000	--
Noncurrent Liabilities:				
Due within one year	309,594	214,939	524,533	--
Due in more than one year	2,308,957	5,953,008	8,261,965	--
Total Liabilities	3,575,457	6,587,366	10,162,823	5,228
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	23,240	--	23,240	--
Deferred amount from refunding	17,459	--	17,459	--
Deferred pension plan income	141,684	23,065	164,749	--
Total Deferred Inflows of Resources	182,383	23,065	205,448	--
NET POSITION:				
Net Investment in Capital Assets	10,448,749	6,757,372	17,206,121	--
Restricted For:				
Debt Service	69,743	--	69,743	--
Capital Projects	919,860	4,194,274	5,114,134	--
Unrestricted	4,100,282	(2,352,319)	1,747,963	2,679,662
Total Net Position	$ 15,538,634	$ 8,599,327	$ 24,137,961	$ 2,679,662

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Code enforcement	$ 73,279	$ --	$ --	$ --
General government	413,066	483,988	--	--
City secretary	149,544	--	--	--
Fire	427,438	6,556	105,000	--
Streets	826,421	--	--	--
Parks	297,552	40,294	--	--
Court	96,935	282,200	--	--
Library	202,032	10,420	14,000	--
Public safety	588,072	4,740	--	--
Finance	116,311	--	--	--
Fire marshall	7,202	--	--	--
Economic development	237,690	--	--	256,891
Public works	313,783	--	--	--
Nondepartmental	116,502	--	--	--
Interest on long-term debt	105,471	--	--	--
Amortization	1,083	--	--	--
Total expenses	3,972,381	828,198	119,000	256,891
Business-type Activities:				
Water and Sewer	1,934,084	1,634,224	--	64,639
Total Business-type Activities	1,934,084	1,634,224	--	64,639
Total Primary Government	$ 5,906,465	$ 2,462,422	$ 119,000	$ 321,530
COMPONENT UNIT:				
Haslet Community and Economic Development Corporation	$ 394,221	$ 42,900	$ --	$ --
General Revenues and Transfers:				
Property Taxes				
Sales Taxes				
Franchise Taxes				
Gas royalties				
Unrestricted investment earnings				
Other revenue				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
Net Position - Beginning				
Prior Period Adjustment				
Net Position - Ending				

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (73,279)		$ (73,279)	
70,922		70,922	
(149,544)		(149,544)	
(315,882)		(315,882)	
(826,421)		(826,421)	
(257,258)		(257,258)	
185,265		185,265	
(177,612)		(177,612)	
(583,332)		(583,332)	
(116,311)		(116,311)	
(7,202)		(7,202)	
19,201		19,201	
(313,783)		(313,783)	
(116,502)		(116,502)	
(105,471)		(105,471)	
(1,083)		(1,083)	
(2,768,292)		(2,768,292)	
--	$ (235,221)	(235,221)	
--	(235,221)	(235,221)	
(2,768,292)	(235,221)	(3,003,513)	
			$ (351,321)
1,497,360	--	1,497,360	--
1,629,393	--	1,629,393	542,996
271,110	--	271,110	--
50,892	--	50,892	--
5,367	11,276	16,643	1,366
--	56,886	56,886	--
(87,079)	87,079	--	--
3,367,043	155,241	3,522,284	544,362
598,751	(79,980)	518,771	193,041
14,963,402	8,683,136	23,646,538	2,486,621
(23,519)	(3,829)	(27,348)	--
$ 15,538,634	$ 8,599,327	$ 24,137,961	$ 2,679,662

CITY OF HASLET, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	1 General Fund	11 Haslet Econ. Develop. Corp. (Type A)
ASSETS		
Cash and investments	$ 2,480,569	$ 2,078,604
Receivables:		
Taxes	61,745	--
Accounts	2,574	--
Miscellaneous	448,792	--
Intergovernmental	280,444	126,954
Prepaid items	500	--
Restricted assets:		
Cash and cash equivalents	250,000	--
Total Assets	$ 3,524,624	$ 2,205,558
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	$ 158,394	$ 1,276
Accrued liabilities	79,306	--
Due to other governments	439,846	--
Liabilities payable from restricted assets:		
Customer deposits	250,000	--
Total Liabilities	927,546	1,276
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	74,928	--
Total Deferred Inflows of Resources	74,928	--
FUND BALANCES		
Nonspendable	500	--
Restricted	--	2,204,282
Committed	--	--
Unassigned	2,521,650	--
Total fund balances	2,522,150	2,204,282
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 3,524,624	$ 2,205,558

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 128,703	$ 1,021,923	$ 5,709,799
--	13,357	75,102
--	--	2,574
--	--	448,792
--	--	407,398
--	3,035	3,535
--	--	250,000
$ 128,703	$ 1,038,315	$ 6,897,200
$ 12,661	$ 11,263	$ 183,594
--	--	79,306
--	--	439,846
--	--	250,000
12,661	11,263	952,746
--	19,431	94,359
--	19,431	94,359
--	3,035	3,535
--	88,048	2,292,330
116,042	916,538	1,032,580
--	--	2,521,650
116,042	1,007,621	5,850,095
$ 128,703	$ 1,038,315	$ 6,897,200

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CITY OF HASLET, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances - governmental funds balance sheet	$	5,850,095
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not reported in the funds.		12,223,839
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		64,991
Payables for bond principal which are not due in the current period are not reported in the funds.		(2,491,254)
Payables for capital leases which are not due in the current period are not reported in the funds.		(6,822)
Payables for bond interest which are not due in the current period are not reported in the funds.		(4,160)
Payables for notes which are not due in the current period are not reported in the funds.		(90,464)
Payables for compensated absences which are not due in the current period are not reported in the funds.		(30,011)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.		14,452
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.		6,128
Deferred penstion plan outflows not in funds		72,614
Deferred penstion plan inflows not in funds		(141,684)
Deferred amount from bond refunding is not reported in the funds.		(17,459)
Net pension asset is not reported in the funds.		88,369
Net position of governmental activities - Statement of Net Position	$	15,538,634

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2015

	01 General Fund	11 Haslet Econ. Develop. Corp. (Type A)
REVENUES:		
Property tax, penalties and interest	$ 1,199,209	$ --
Franchise tax	271,110	--
Sales tax	1,086,399	542,994
Licenses and permits	457,041	--
Park development fees	--	--
Fines	306,599	--
Contributions	125	--
Gas royalties	50,892	--
Interest	2,379	1,647
Miscellaneous	145,269	--
Total revenues	3,519,023	544,641
EXPENDITURES:		
Current:		
Code enforcement	76,131	--
Administration	340,998	--
City secretary	153,852	--
Fire	396,529	--
Streets	81,886	--
Parks	141,417	--
Court	96,366	--
Library	194,667	--
Nondepartmental	116,502	--
Public safety	588,072	--
Finance	117,324	--
Fire marshall	7,202	--
Economic development	134,414	105,218
Public works	279,807	--
Capital outlay	--	--
Debt service	--	--
Total expenditures	2,725,167	105,218
Excess (deficiency) of revenues over (under) expenditures	793,856	439,423
OTHER FINANCING SOURCES (USES):		
Transfers in	6,891	--
Transfers out	(863,302)	(6,891)
Total other financing sources (uses)	(856,411)	(6,891)
Net change in fund balances	(62,555)	432,532
Fund balances, October 1	2,584,705	1,771,750
Fund balances, September 30	$ 2,522,150	$ 2,204,282

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
$ --	$ 296,779	$ 1,495,988
--	--	271,110
--	--	1,629,393
--	--	457,041
--	8,500	8,500
--	17,230	323,829
--	15,414	15,539
--	--	50,892
246	1,095	5,367
--	31,794	177,063
246	370,812	4,434,722
--	--	76,131
--	--	340,998
--	--	153,852
--	--	396,529
--	--	81,886
--	75,707	217,124
--	10,532	106,898
--	10,956	205,623
--	--	116,502
--	--	588,072
--	--	117,324
--	--	7,202
--	--	239,632
--	--	279,807
825,435	150,743	976,178
--	286,959	286,959
825,435	534,897	4,190,717
(825,189)	(164,085)	244,005
800,000	63,302	870,193
--	(87,079)	(957,272)
800,000	(23,777)	(87,079)
(25,189)	(187,862)	156,926
141,231	1,195,483	5,693,169
$ 116,042	$ 1,007,621	$ 5,850,095

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CITY OF HASLET, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - total governmental funds	$	156,926
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		652,926
The depreciation of capital assets used in governmental activities is not reported in the funds.		(742,345)
Donations of capital assets increase net position in the SOA but not in the funds.		250,000
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		1,371
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		178,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.		6,625
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.		90,464
Bond insurance costs are amortized in the SOA but not in the funds.		(1,083)
(Increase) decrease in accrued interest from beginning of period to end of period.		3,488
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		(12,556)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.		(27,883)
Change in net pension plan asset/liability is not reported in the funds.		42,817
Change in net position of governmental activities - Statement of Activities	$	598,751

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS

STATEMENT OF NET POSITION
ENTERPRISE FUNDS
SEPTEMBER 30, 2015

	Enterprise Fund Water and Sewer Fund
ASSETS	
CURRENT ASSETS	
Cash and investments	$ 1,923,174
Receivables (net of allowances for uncollectibles):	
Accounts	290,287
Intergovernmental	420
Inventories	8,576
Total Current Assets	2,222,457
NONCURRRENT ASSETS	
RESTRICTED ASSETS	
Cash and cash equivalents	4,205,290
Total Restricted Assets	4,205,290
PROPERTY, PLANT AND EQUIPMENT	
Land	20,142
Construction in progress	261,463
Improvements other than buildings	7,142
Infrastructure	10,875,144
Equipment	341,584
Accumulated depreciation	(2,789,188)
Net Property, Plant and Equipment	8,716,287
Net pension asset	14,385
Total Assets	15,158,419
DEFERRED OUTFLOWS OF RESOURCES	
Deferred bond insurance costs	11,162
Deferred amount from refunding	28,356
Deferred pension plan expense	11,821
Total Deferred Outflows of Resources	51,339
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	268,507
Accrued Liabilities	77,009
Compensated absences payable	7,082
General obligation bonds payable - current	86,400
Certificates of obligation payable - current	115,100
Customer deposits	73,903
Total Current Liabilities	628,001
NONCURRENT LIABILITIES	
General obligation bonds payable	380,108
Certificates of obligation payable	5,579,257
Total Noncurrent Liabilities	5,959,365
Total Liabilities	6,587,366
DEFERRED INFLOWS OF RESOURCES	
Deferred pension plan income	23,065
Total Liabilities	23,065
NET POSITION	
Invested in capital assets, net of related debt	6,757,372
Unrestricted	1,841,955
Total Net Position	$ 8,599,327

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Fund Water and Sewer Fund
OPERATING REVENUES:	
Water service	$ 1,348,713
Sewer service	258,418
Tap connection fees	13,028
Penalties and interest	12,135
Garbage franchise tax	206
Total Operating Revenues	1,632,500
OPERATING EXPENSES:	
Administration	93,756
Operating	1,200,057
Shared public works expense	107,637
Depreciation	309,883
Total Operating Expenses	1,711,333
Operating Income (Loss)	(78,833)
NON-OPERATING REVENUES (EXPENSES):	
Interest income	11,276
Miscellaneous income	58,610
Interest expense	(222,751)
Total Non-operating Revenues (Expenses)	(152,865)
Income (Loss) before Capital Contributions and Transfers	(231,698)
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital Contributions	64,639
Transfers in	87,079
Total Capital Contributions and Transfers	151,718
Income (Loss) before Special Items	(79,980)
SPECIAL ITEMS	
Net income	(79,980)
Net Position - Beginning	8,683,136
Prior period adjustment	(3,829)
Net Position - Ending	$ 8,599,327

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS

STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Cash Flows from Operating Activities:	
Cash Received from Customers	$ 1,598,049
Cash Payments to Suppliers for Goods and Services	(1,208,121)
Cash Payments to Employees for Services	(134,385)
Net Cash Provided (Used) by Operating Activities	255,543
Cash Flows from Non-capital and Related Financing Activities:	
Payments from other funds	87,079
Net Cash Provided (Used) for Capital & Related Financing Activities	87,079
Cash Flows from Capital and Related Financing Activities:	
Proceeds from bond issuance	4,155,000
Principal and Interest Paid	(225,282)
Acquisistion or Construction of Capital Assets	(45,494)
Net Cash Provided (Used) for Capital & Related Financing Activities	3,884,224
Cash Flows from Investing Activities:	
Interest on Investments	11,278
Net Cash Provided (Used) for Investing Activities	11,278
Net Increase (Decrease) in Cash and Cash Equivalents	4,238,124
Cash and Cash Equivalents at Beginning of Year	
Unrestricted cash and investments	1,888,353
Restricted cash	1,987
	1,890,340
Cash and Cash Equivalents at End of Year	
Unrestricted cash and investments	1,923,174
Restricted cash	4,205,290
	$ 6,128,464
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	$ (78,833)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation and amortization	309,883
Miscellaneous income	58,610
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	(83,750)
Decrease (Increase) in Inventories	–
Decrease (Increase) in Prepaid Items	119
Decrease (Increase) in Net Pension Asset	(14,385)
Increase (Decrease) in Accounts Payable	22,141
Increase (Decrease) in Accrued Liabilities	61,957
Increase (Decrease) in Customer Deposits	(9,311)
Increase (Decrease) in Net Pension Liability	(10,888)
Total Adjustments	334,376
Net Cash Provided (Used) by Operating Activities	$ 255,543
Noncash investing, capital, and financing activities:	
Contributions of capital assets from component unit	$ 64,639

The accompanying notes are an integral part of this statement.

I. - SIGNIFICANT ACCOUNTING POLICIES

A. Description of the government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements.. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

B. Reporting Entity

The City of Haslet (City) was incorporated as a general law municipality in 1961 under the provisions of Chapter 11 Title 28, Texas revised civil statues of 1925. The City operates under a Mayor/Council form of government. The City provides such services as are authorized by the Texas Local Government Code to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting policies of the City of Haslet, Texas, conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the City's financial statements.

The City's (primary government) financial statements include its component units. The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the City (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. Accordingly the City has included the following:

Blended Component Unit

The Haslet Economic Development Corporation (Type A) was created under the law known as the Development Corporation Act of 1979. Type A is governed by a board of directors comprised of members appointed by the City Council. Capital improvement projects undertaken by Type A are for the benefit of the City. Type A may not issue debt without approval of the City Council. The City must approve changes to Type A's articles of incorporation, may unilaterally terminate Type A, and has residual interest in the net positon of Type A. Type A reports its activities using a special revenue fund and it does not issue separate financial statements.

Discretely Presented Component Unit

The Haslet Community and Economic Development Corp. Fund (Type B) was created under the law known as the Development Corporation Act of 1979. Type B is governed by a board of directors comprised of members appointed by the City Council. Capital improvement projects undertaken by Type B benefit parties external to the City. Type B may not issue debt without approval of the City Council. The City must approve changes to Type B's articles of incorporation, may unilaterally terminate Type B, and has residual interest in the net positon of Type B. Type B does not issue separate financial statements.

C. Basis of presentation – government-wide

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

E. Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Haslet Economic and Community Development Corp. Fund (Type A) – accounts for use of sales tax revenue for business incentives.

Capital Projects Fund – accounts for use of debt used for related construction projects.

The City reports the following major enterprise fund:

The Water and Sewer Fund operates the water distribution system and the wastewater collection system.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

F. Measurement focus, basis of accounting, and basis of presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer enterprise fund are charges to customers for sales and services. This fund also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

G. Budgetary information, budget procedures

The City Council adheres to the following procedures in establishing the budgets reflected in the accompanying basic financial statements:

1. Annual budgets are adopted on the modified accrual basis of accounting for all governmental funds except the capital projects funds. The Capital Projects and CO Capital Projects funds adopt project length budgets.

2. Between sixty and ninety days prior to the beginning of the fiscal year, the City Administrator submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

3. Public hearings are conducted, at which time all interested persons comments concerning the budget are heard.

4. Fifteen days prior to the beginning of the fiscal year, the budget is legally adopted by the City Council enacted through the passage of an ordinance.

5. The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revision that increases the total expenditures of any fund must be approved by the City Council. Therefore, the legal level of budgetary control is the fund level.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

I. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities, excluding mortgage-backed securities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-backed securities; (4) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or the National Credit Union Share Insurance fund, or its successor, (B) secured by obligations that are described by Section 2256.009(a) of the Texas Public Funds Investment Act, including mortgage-backed securities directly issued by a federal agency or instrumentality, but excluding those mortgage-backed securities of the nature described in Section 2256.009(b) of the Act, (C) secured in any other manner and amount provided by law for deposits of the City; or, (5) eligible local government investment pools which invest in instruments and follow practices allowed by current law as defined in Section 2256.016 of the Texas Public Funds Investment Act; (6) regulated no-load money market mutual funds that are (A) registered with and regulated by the Securities and Exchange Commission; (B) having a dollar-weighted average portfolio of ninety (90) days or less; (C) the investment objectives include the maintenance of a stable net asset value of one dollar ($1.00) per share; and (D) the fund is continuously rated no lower than "AAA" or its equivalent rating by at least one nationally recognized rating service; and (7) repurchase agreements, reverse repurchase agreements, bankers' acceptances and commercial paper, to the extent they are contained in the portfolios of approved public funds investment pools in which the City invests.

Investments maturing within one year of date of purchase are stated at cost or amortized cost; all other investments are stated at fair value which is based on quoted market prices.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter fund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Water and sewer accounts receivable in excess of 60 days and available customer deposits comprise the allowance for uncollectibles. Ambulance receivables greater than 120 days represent the allowance for uncollectible accounts.

2. Property taxes

The appraisal of property within the City is the responsibility of the Tarrant and Denton County Appraisal Districts as required by legislation passed by the Texas Legislature. Each Appraisal District is required under such legislation to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The City's property tax is levied and recorded as a receivable each October 1, on the assessed value listed as of the prior January 1, for all real and business property located in the City. Taxes are delinquent on February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, bridges, underground structures and piping, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Generally, capital assets are defined by the City as assets with an initial, individual cost of more than $2,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Buildings	15 – 30 years
Water and sewer system infrastructure	20 – 50 years
Street and storm drainage system infrastructure	10 – 30 years
Furniture and equipment	5 – 10 years

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

Vacation

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists.

Liabilities for compensated absences are liquidated by the General Fund.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund type fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net positon. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund balance policies

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts in the general fund represent intended uses established by the Mayor.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

11. Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

J. Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and investments

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year end, the carrying amount of the City's cash on hand and deposits was $4,089,988 for both the primary government and discrete component unit ($11,747 restricted) and the bank balance was $3,607,218. All of the bank balance was secured by federal deposit insurance and collateral (fair value of $4,234,077) pledged by the depository in the City's name and held by the depository's agent.

Custodial Credit Risk -- Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's investments were held by the counterparty's agent as of September 30, 2015.

	Carrying Amount	Fair Value	Rating Standard & & Poors	Weighted Average Maturity
Primary Government				
Cash	$ 3,385,390			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	4,247,583	$ 4,247,583	AAAm	60 days
Restricted government sponsored investment pool (TexPool)	4,455,290	$ 4,455,290	AAAm	60 days
	$ 12,088,263			
Discrete Component Unit				
Cash	$ 704,598			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	895,518	$ 895,518	AAAm	60 days
	$ 1,600,116			

TexPool is an external investment pool operated by the Texas Comptroller of Public Accounts and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investments Act provide for creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

B. Receivables

Receivables as of year-end for the City's individual major funds, and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			Business-Type Activities	Total
	General	Nonmajor	Total		
Taxes receivable	$ 61,745	$ 13,357	$ 75,102	$ -	$ 75,102
Allowance for uncollectible taxes	-	-	-	-	-
	$ 61,745	$ 13,357	$ 75,102	$ -	$ 75,102
Accounts receivable	$ 2,574	$ -	$ 2,574	$ 318,803	$ 321,377
Allowance for uncollectible accounts	-	-	-	(28,516)	(28,516)
	$ 2,574	$ -	$ 2,574	$ 290,287	$ 292,861
Miscellaneous receivable	$ 748,380	$ -	$ 748,380	$ -	$ 748,380
Allowance for uncollectible receivables	(299,588)	-	(299,588)	-	(299,588)
	$ 448,792	$ -	$ 448,792	$ -	$ 448,792

Deferred Revenue/Unearned Revenue: Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental activities report unearned revenue. At the end of the current fiscal year, the various components of deferred revenue reported in governmental funds and unearned revenue reported in government-wide activities were as follows:

	Deferred	Unearned
Major Funds		
Delinquent property taxes receivable (General Fund)	$ 52,401	$ -
Deferred fine revenue (General Fund)	6,127	-
Health Care Initiative (General Fund)	16,400	16,400
Nonmajor Funds		
Refundable deposits (Park Fund)	6,840	6,840
Delinquent property taxes receivable (1999 Interest & Sinking Fund)	12,591	-
Total deferred revenue for governmental funds / activities	$ 94,359	$ 23,240

C. Capital assets

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB-34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are listed at estimated or actual historical costs. General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in governmental-type activities. Donated capital assets are valued at their estimated fair market value on the date of donation.

The City uses the following criteria to classify capital assets:

Useful life exceeds one year, and cost equals $5,000 or more for assets acquired by governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization of capital assets are estimated using the straight line method over estimated useful lives and are charged as an expense against operations. Accumulated depreciation and amortization are reported for governmental activities.

Capital asset activity for the year ended September 30, 2015:

Primary Government

	Balance 9/30/2014	Addtions	Retirements	Transfers and Completed Construction	Balance 9/30/2015
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	$ 1,518,371	$ 587,959	$ -	$ -	$ 2,106,330
Construction in progress	765,015	51,162	-	-	816,177
Total capital assets not being depreciated	2,283,386	639,121	-	-	2,922,507
Capital assets, being depreciated					
Buildings and improvements	3,252,968	23,300	-	-	3,276,268
Furniture, fixtures, tools and equipment	613,355	11,064	-	-	624,419
Vehicles	1,617,343	39,343	-	-	1,656,686
Improvements other than buildings	1,364,604	16,730	-	-	1,381,334
Street and drainage improvements	11,651,360	173,369	(35,627)	-	11,789,102
Total capital assets being depreciated	18,499,630	263,806	(35,627)	-	18,727,809
Less accumulated depreciation for:					
Buildings and improvements	(1,011,069)	(109,691)	-	-	(1,120,760)
Furniture, fixtures, tools and equipment	(342,965)	(53,561)	-	-	(396,526)
Vehicles	(1,306,375)	(87,846)	-	-	(1,394,221)
Improvements other than buildings	(615,714)	(57,574)	-	-	(673,288)
Street and drainage improvements	(5,443,634)	(423,877)	25,829	-	(5,841,682)
Total accumulated depreciation	(8,719,757)	(732,549)	25,829	-	(9,426,477)
Total capital assets being depreciated, net	9,779,873	(468,743)	(9,798)	-	9,301,332
Governmental activities capital assets, net	$ 12,063,259	$ 170,378	$ (9,798)	$ -	$ 12,223,839

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

General administration	$ 73,942
Fire	123,273
Streets	433,051
Parks and recreation	61,733
Public works	40,550
	732,549
Streets - loss on disposal	9,796
	$ 742,345

	Balance 9/30/2014	Addtions	Retirements	Transfers and Completed Construction	Balance 9/30/2015
BUSINESS-TYPE ACTIVITIES:					
Capital assets, not being depreciated:					
Land	$ 20,142	$ -	$ -	$ -	$ 20,142
Construction in progress	151,174	110,289	-	-	261,463
Total capital assets not being depreciated	171,316	110,289	-	-	281,605
Capital assets, being depreciated					
Buildings and improvements	7,142	-	-	-	7,142
Equipment	341,585	-	-	-	341,585
Water and sewer system infrastructure	10,875,144	-	-	-	10,875,144
Total capital assets being depreciated	11,223,871	-	-	-	11,223,871
Less accumulated depreciation for:					
Buildings and improvements	(7,142)	-	-	-	(7,142)
Equipment	(230,671)	(25,782)	-	-	(256,453)
Water and sewer system infrastructure	(2,241,164)	(284,430)	-	-	(2,525,594)
Total accumulated depreciation	(2,478,977)	(310,212)	-	-	(2,789,189)
Total capital assets being depreciated, net	8,744,894	(310,212)	-	-	8,434,682
Business-type activities capital assets, net	$ 8,916,210	$ (199,923)	$ -	$ -	$ 8,716,287

Construction and other significant commitments

D. Interfund transfers

Interfund transfers are used to pay an allocation of general and administrative services, provide funds for debt service, contribute toward the cost of capital projects, and for other operational purposes.

	Transfers To Other Funds	Transfers From Other Funds
Major Funds		
General Fund	$ 6,891	$ (863,302)
Haslet Econ Dev Corp - Type A	-	(6,891)
COs Capital Projects	800,000	-
Nonmajor Governmental Funds	63,302	(87,079)
Business-type Funds	87,079	-
	$ 957,272	$ (957,272)

E. Long-term debt

The City of Haslet issues general obligation bonds, certificates of obligation bonds, contractual obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These issues are direct obligations and pledge the full faith and credit of the City.

General Debt Currently Outstanding:

GOVERNMENTAL ACTIVITIES DEBT

Purpose	Original Amount	Year of Issue	Final Maturity	Average Annual Payment	Interest Rate	Balance 9/30/2015
Certificates of Obligation						
Improvements	$ 2,714,400	2007	2032	$ 173,300	4.00% - 4.25%	$ 2,117,000
General Obligation Bonds						
Improvements	977,600	2007	2019	110,125	4.00%	400,400
						2,517,400
Bond premium						4,464
Bond discount						(30,610)
Total Governmental Activities Debt						$ 2,491,254

BUSINESS-TYPE ACTIVITIES DEBT

Purpose	Original Amount	Year of Issue	Final Maturity	Average Annual Payment	Interest Rate	Balance 9/30/2015
Certificates of Obligation						
Improvements	$ 1,965,600	2007	2032	$ 125,500	4.00% - 4.25%	$ 1,533,000
Improvements	4,155,000	2015	2035	285,000	2.20% - 4.00%	4,155,000
General Obligation Bonds						
Improvements	902,400	2007	2019	101,650	4.00%	369,600
						6,057,600
Bond premium						128,204
Bond discount						(23,940)
Total Business-Type Activities Debt						$ 6,161,864

The series 2007 Certificates of Obligation are allocated 52% and 48% to governmental activities and business-type activities, respectively; the series 2007 GO Bonds are allocated 58% and 42%, respectively. The Debt Service Fund makes required payments of governmental activities debt.

Annual debt service requirements to maturity for general debt:

Year	Principal	Interest	Total
2016	$ 183,500	$ 100,921	$ 284,421
2017	191,600	93,356	284,956
2018	197,100	85,692	282,792
2019	202,300	77,808	280,108
2020	107,300	69,716	177,016
2021-2025	594,500	281,068	875,568
2026-2030	713,400	153,236	866,636
2031-2032	327,700	19,836	347,536
	$ 2,517,400	$ 881,633	$ 3,399,033

Annual debt service requirements to maturity for business-type activities debt:

Year	Principal	Interest	Total
2016	$ 201,500	$ 252,906	$ 454,406
2017	258,400	189,899	448,299
2018	267,900	180,563	448,463
2019	277,700	170,897	448,597
2020	267,700	160,889	428,589
2021-2025	1,470,500	666,607	2,137,107
2026-2030	1,701,600	421,024	2,122,624
2031-2035	1,612,300	140,514	1,752,814
	$ 6,057,600	$ 2,183,299	$ 8,240,899

Capital Lease Obligation

Capitalized lease obligations are comprised of leases which terms provide for a bargain purchase options at the end of the lease period or provide the rights of ownership during the economic useful life of the assets. The general fund is used to make payments as due.

$32,066 due in monthly instalments of $621 including interest accruing at 5.85%, maturing in August, 2016 and secured by equipment with an original cost of $32,066 a net book value of $16,033	$ 6,822

Future minimum payments for leases, contracts and loans are as follows:

Governmental Activities

Year Ending September 30,	Capital Lease Obligation
2016	$ 6,831
	6,831
Less: interest	(9)
Present Value	$ 6,822

Capital leases obligations are paid by the General Fund and Municipal Court Technology funds.

During the year ended September 30, 2015, the following changes occurred in liabilities reported as governmental debt:

Description	September 30, 2014	Additions	Retirements	September 30, 2015	Due Within One Year
Governmental activities:					
Certificates of obligation	$ 2,204,000	$ -	$ (87,000)	$ 2,117,000	$ 89,900
General obligation bonds	491,400	-	(91,000)	400,400	93,600
Total bonds payable	2,695,400	-	(178,000)	2,517,400	183,500
Bond premium	5,580	-	(1,116)	4,464	1,116
Bond discount	(32,929)	-	2,319	(30,610)	(2,319)
Note payable	180,929	-	(90,465)	90,464	90,464
Capital lease obligations	13,447	-	(6,625)	6,822	6,822
Accrued compensated absences	17,455	33,384	(20,828)	30,011	30,011
	$ 2,879,882	$ 33,384	$ (294,715)	$ 2,618,551	$ 309,594

During the year ended September 30, 2015, the following changes occurred in liabilities reported as business-type debt:

Description	September 30, 2014	Additions	Additions	September 30, 2015	Due Within One Year
Business-type activities					
Certificates of obligation	$ 1,596,000	$ 4,155,000	$ (63,000)	$ 5,688,000	$ 115,100
General obligation bonds	453,600	-	(84,000)	369,600	86,400
Total bonds payable	2,049,600	4,155,000	(147,000)	6,057,600	201,500
Bond premium	11,020	121,449	(5,265)	127,204	8,327
Bond discount	(25,909)	-	1,970	(23,939)	(1,970)
Accrued compensated absences	8,485	9,386	(10,789)	7,082	7,082
	$ 2,043,196	$ 4,285,835	$ (161,084)	$ 6,167,947	$ 214,939

F. Fund Balance Classification

	Unspendable	Restricted	Committed	Unassigned	Total
Major Funds					
General Fund	$ 500	$ -	$ -	$ 2,521,650	$ 2,522,150
Haslet Economic Development Corp.	-	2,204,282	-	-	2,204,282
Capital Projects	-	-	116,042	-	116,042
Nonmajor Governmental Funds	3,035	88,048	916,538	-	1,007,621
	$ 3,535	$ 2,292,330	$ 1,032,580	$ 2,521,650	$ 5,850,095

III. OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's general purpose financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Change in Generally Accepted Accounting Principles

The City has implemented new accounting guidance from Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. Certain assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses are now recognized by governmental type activities and proprietary funds.

C. Prior Period Adjustment

As noted above, the City implemented GASB-68 during FY2015. GASB-68 requires that beginning net position, for Governmental Activities and funds applying the full accrual method, be restated for the effect of beginning net pension (liability)/asset, beginning deferred pension outflows of resources, and beginning deferred pension inflows of resources.

Description	Governmental Activities	Business-type Activities
Net Position - FYE 9/30/2014	$ 14,963,402	$ 8,683,136
Beginning Net Pension Liability	(66,880)	(10,888)
Beginning Deferred Pension Outflows of Resources	43,361	7,059
	(23,519)	(3,829)
Restated Net Position - FY 9/30/2014	$ 14,939,883	$ 8,679,307

IV. RETIREMENT COMMITMENTS

A. Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent

multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

B. Benefits

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees covered by benefit terms.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

EMPLOYEES COVERED BY BENEFIT TERMS	
Inactive employees (or their beneficiaries) currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	14
Active employees	19
	37

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.4% and 9.67% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015, were $87,476 and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future

mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
Domestic Equity	17.50%	4.80%
International Equities	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balance at 12/31/2013	$ 1,699,870	$ 1,622,102	$ 77,768
Changes for the year:			
Service cost	127,691	-	127,691
Interest	120,806	-	120,806
Change of benefit terms	-		-
Difference between expected and actual experience	(209,303)	-	(209,303)
Changes of assumptions	-	-	-
Contributions - employer	-	69,789	(69,789)
Contributions - employee		58,157	(58,157)
Net investment income	-	92,819	(92,819)
Benefit payments, including refunds of employee contributions	(75,829)	(75,829)	-
Amortization of prior year assets	-		-
Administrative expense	-	(969)	969
Other changes	-	(80)	80
Net changes	(36,635)	143,887	(180,522)
Balance at 12/31/2014	$ 1,663,235	$ 1,765,989	$ (102,754)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Total Pension Liability	$ 1,919,821	$ 1,663,235	$ 1,453,786
Plan Fiduciary Net Positon	1,765,989	1,765,989	1,765,989
Net Pension Liability / (Asset)	$ 153,832	$ (102,754)	$ (312,203)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at *www.tmrs.com*.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of $37,434.

At September 30, 2015, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/2014 Expense	Balance of Deferred (Inflows)/Outflows 12/31/2014
Due to Liabilities:					
Difference in expected and actual experience actuarial (gains) or losses)	$ (209,303)	12/31/2014	4.6977	$ (44,554)	$ (164,749)
				(44,554)	(164,749)
Due to Assets:					
Difference in projected and actual earnings on pension plan reserves (actuarial (gains) or losses)	20,728	12/31/2014	5.0000	4,146	16,582
				4,146	16,582
					$ (148,167)

$148,167 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

DEFFERED INFLOWS / OUTFLOWS TO BE RECOGNIZED IN FUTURE Y.

Year Ended December 31,	
2016	$ (40,408)
2017	(40,408)
2018	(40,408)
2019	(26,943)
	$ (148,167)

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REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Government Accounting Standards Board but not considered a part of the basic financial statements.

CITY OF HASLET, TEXAS

EXHIBIT B-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property tax, penalties and interest	$ 1,350,000	$ 1,196,000	$ 1,199,209	$ 3,209
Franchise tax	176,000	249,500	271,110	21,610
Sales tax	685,600	950,600	1,086,399	135,799
Licenses and permits	115,350	400,350	457,041	56,691
Fines	258,000	284,800	306,599	21,799
Contributions	200	200	125	(75)
Gas royalties	65,000	55,000	50,892	(4,108)
Interest	3,000	3,000	2,379	(621)
Miscellaneous	134,190	142,190	145,269	3,079
Total revenues	2,787,340	3,281,640	3,519,023	237,383
EXPENDITURES:				
Current:				
Code enforcement	89,417	89,417	76,131	13,286
Administration	306,579	375,079	340,998	34,081
City secretary	139,443	153,003	153,852	(849)
Fire	445,608	445,608	396,529	49,079
Streets	120,000	120,000	81,886	38,114
Parks	174,784	154,784	141,417	13,367
Court	101,197	101,197	96,366	4,831
Library	195,944	195,944	194,667	1,277
Nondepartmental	187,300	125,200	116,502	8,698
Public safety	588,072	588,072	588,072	--
Finance	116,472	121,772	117,324	4,448
Fire marshall	10,015	10,015	7,202	2,813
Economic development	95,930	151,930	134,414	17,516
Public works	204,314	288,314	279,807	8,507
Total expenditures	2,775,075	2,920,335	2,725,167	195,168
Excess (deficiency) of revenues over (under) expenditures	12,265	361,305	793,856	432,551
OTHER FINANCING SOURCES (USES):				
Transfers in	6,890	6,890	6,891	1
Transfers out	--	(861,036)	(863,302)	(2,266)
Total other financing sources (uses)	6,890	(854,146)	(856,411)	(2,265)
Net change in fund balances	19,155	(492,841)	(62,555)	430,286
Fund balances, October 1	2,584,705	2,584,705	2,584,705	--
Fund balances, September 30	$ 2,603,860	$ 2,091,864	$ 2,522,150	$ 430,286

CITY OF HASLET, TEXAS

EXHIBIT B-2

HASLET ECONOMIC DEVLEOPMENT CORPORATION (TYPE A)
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Sales tax	$ 342,800	$ 475,000	$ 542,994	$ 67,994
Interest	1,500	1,500	1,647	147
Total revenues	344,300	476,500	544,641	68,141
EXPENDITURES:				
Current:				
Economic development	1,560,648	145,648	105,218	40,430
Total expenditures	1,560,648	145,648	105,218	40,430
Excess (deficiency) of revenues over (under) expenditures	(1,216,348)	330,852	439,423	108,571
OTHER FINANCING SOURCES (USES):				
Transfers out	(6,891)	(6,891)	(6,891)	--
Total other financing sources (uses)	(6,891)	(6,891)	(6,891)	--
Net change in fund balances	(1,223,239)	323,961	432,532	108,571
Fund balances, October 1	1,771,750	1,771,750	1,771,750	--
Fund balances, September 30	$ 548,511	$ 2,095,711	$ 2,204,282	$ 108,571

EXHIBIT B-3

CITY OF HASLET, TEXAS

SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEE PENSION PLAN
*LAST TEN FISCAL YEARS **

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability:										
Service cost	$ 127,691	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Interest	120,806	--	--	--	--	--	--	--	--	--
Changes of benefit terms	--	--	--	--	--	--	--	--	--	--
Differences between expected and actual experience	(209,303)	--	--	--	--	--	--	--	--	--
Changes of assumptions	--	--	--	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(75,829)	--	--	--	--	--	--	--	--	--
Net change in total pension liability	(36,635)	--	--	--	--	--	--	--	--	--
Total pension liability - beginning	1,699,870	--	--	--	--	--	--	--	--	--
Total pension liability - ending (a)	$ 1,663,235	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Plan fiduciary net position:										
Contributions - employer	$ 69,789	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Contributions - employee	58,157	--	--	--	--	--	--	--	--	--
Net investment income	92,819	--	--	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(75,829)	--	--	--	--	--	--	--	--	--
Administrative expense	(969)	--	--	--	--	--	--	--	--	--
Other	(80)	--	--	--	--	--	--	--	--	--
Net change in plan fiduciary net position	143,887	--	--	--	--	--	--	--	--	--
Plan fiduciary net position - beginning	1,622,102	--	--	--	--	--	--	--	--	--
Plan fiduciary net position - ending (b)	$ 1,765,989	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's net pension liability - ending (a) - (b)	$ (102,754)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Plan fiduciary net position as a percentage of the total pension liability	106.18%	--	--	--	--	--	--	--	--	--
Covered-employee payroll	$ 830,821	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's net pension liability as a percentage of covered-employee payroll	-12.37%	--	--	--	--	--	--	--	--	--

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

EXHIBIT B-4

CITY OF HASLET, TEXAS

SCHEDULE OF CITY CONTRIBUTIONS
EMPLOUEE PENSION PLAN
*LAST TEN FISCAL YEARS **

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 87,476	$ 66,427	$ 51,166	$ 60,849	$ 73,274	$ 74,878	$ 70,838	$ 67,365	$ 67,365	$ 58,952
Contributions in relation to the actuarially determined contribution	(87,476)	(66,427)	(51,166)	(60,849)	(73,274)	(74,878)	(70,838)	(67,365)	(67,365)	(58,952)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 923,673	$ 823,297	$ 779,075	$ 754,789	$ 675,614	$ 680,893	$ 648,768	$ 567,944	$ 506,067	$ 374,431
Contributions as a percentage of covered-employee payroll	-9.47%	-8.07%	-6.57%	-8.06%	-10.85%	-11.00%	-10.92%	-11.86%	-13.31%	-15.74%

Notes to Schedule

Valuation date: 12/31/2014

Methods and assumptions used to determine contribution rates:

Valuation timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry age, normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10-year smoothing period, market value recognition method, 15% soft corridor
Inflation	3.0%
Salary increases	3.5%,to 12%, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Cost-of-living adjustments	Cost-of-living adjustments are jnot considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement age	Experienced-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with males rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational baisi with scale BB.
Demographic assumptions	Tables for annual rates for merit salary increases, termination, disability, service retirement, probabilty of withdrawal, retirement age, turnover, and mortality areavailable in the anual certification for December 31, 2015 which is included in the TMRS CAFR for December 31, 2015.
Benefit changes	There were no benefit changes during 2015.

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Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

- Park Fund – to account for contributions used for park improvements.
- Municipal Court Building Security Fund – to account for use of municipal court fees assessed for providing security for municipal court.
- Municipal Court Technology Fund – to account for use of municipal court fees assessed for municipal court technology improvements.
- Park Board Improvement Fund – to account for development and impact fees used for park improvements.
- Library Board fund – to account for contributions used for Library operations and improvements.
- Library Grant Fund – to account for contributions and grants used for library improvement.

Debt Service Fund

- The Debt Service Fund is used to account for the payment of principal and interest on general long-term bonded debt of the City. Payments of principal and interest on equipment, financing used in general activities of the City and other financing are serviced by the General Fund.

Capital Projects Fund

- C. O. Capital Projects Fund – accounts for use of transfers from other funds used for various construction projects.

Discrete Component Unit

- Haslet Community and Economic Development Corp. (Type B) – to account for use of sales tax for capital improvement projects to benefit parties external to the City.

CITY OF HASLET, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Funds	Debt Service Fund: 1999 Interest & Sinking	Capital Projects Fund: COs Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Cash and investments	$ 152,081	$ 56,386	$ 813,456	$ 1,021,923
Receivables:				
Taxes	--	13,357	--	13,357
Prepaid items	3,035	--	--	3,035
Total Assets	$ 155,116	$ 69,743	$ 813,456	$ 1,038,315
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,625	$ --	$ 9,638	$ 11,263
Total Liabilities	1,625	--	9,638	11,263
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	6,840	12,591	--	19,431
Total Deferred Inflows of Resources	6,840	12,591	--	19,431
FUND BALANCES				
Nonspendable	3,035	--	--	3,035
Restricted	30,896	57,152	--	88,048
Committed	112,720	--	803,818	916,538
Total fund balances	146,651	57,152	803,818	1,007,621
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 155,116	$ 69,743	$ 813,456	$ 1,038,315

CITY OF HASLET, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds	Debt Service Fund: 1999 Interest & Sinking	Capital Projects Fund: COs Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES:				
Property tax, penalties and interest	$ --	$ 296,779	$ --	$ 296,779
Park development fees	8,500	--	--	8,500
Fines	17,230	--	--	17,230
Contributions	15,414	--	--	15,414
Interest	117	175	803	1,095
Miscellaneous	31,794	--	--	31,794
Total revenues	73,055	296,954	803	370,812
EXPENDITURES:				
Current:				
Parks	75,707	--	--	75,707
Court	10,532	--	--	10,532
Library	10,956	--	--	10,956
Capital outlay	21,565	--	129,178	150,743
Debt service	--	286,959	--	286,959
Total expenditures	118,760	286,959	129,178	534,897
Excess (deficiency) of revenues over (under) expenditures	(45,705)	9,995	(128,375)	(164,085)
OTHER FINANCING SOURCES (USES):				
Transfers in	63,302	--	--	63,302
Transfers out	--	--	(87,079)	(87,079)
Total other financing sources (uses)	63,302	--	(87,079)	(23,777)
Net change in fund balances	17,597	9,995	(215,454)	(187,862)
Fund balances, October 1	129,054	47,157	1,019,272	1,195,483
Fund balances, September 30	$ 146,651	$ 57,152	$ 803,818	$ 1,007,621

CITY OF HASLET, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

	Park	Municipal Court Bldg. Security	Municipal Court Technology
ASSETS			
Cash and investments	$ 30,697	$ 16,326	$ 7,573
Prepaid items	3,035	--	--
Total Assets	$ 33,732	$ 16,326	$ 7,573
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 955	$ --	$ --
Total Liabilities	955	--	--
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	6,840	--	--
Total Deferred Inflows of Resources	6,840	--	--
FUND BALANCES			
Nonspendable	3,034	--	--
Restricted	--	16,326	7,573
Committed	22,903	--	--
Total fund balances	25,937	16,326	7,573
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,732	$ 16,326	$ 7,573

Park Board Improvement	Library Board	Library Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
$ 83,776	$ 6,042	$ 7,667	$ 152,081
--	--	--	3,035
$ 83,776	$ 6,042	$ 7,667	$ 155,116
$ --	$ --	$ 670	$ 1,625
--	--	670	1,625
--	--	--	6,840
--	--	--	6,840
--	--	--	3,034
--	--	6,997	30,896
83,776	6,042	--	112,721
83,776	6,042	6,997	146,651
$ 83,776	$ 6,042	$ 7,667	$ 155,116

CITY OF HASLET, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Park	Municipal Court Bldg. Security	Municipal Court Technology
REVENUES:			
Park development fees	$ --	$ --	$ --
Fines	--	7,384	9,846
Contributions	--	--	--
Interest	16	13	6
Miscellaneous	31,794	--	--
Total revenues	31,810	7,397	9,852
EXPENDITURES:			
Current:			
Parks	75,707	--	--
Court	--	2,725	7,807
Library	--	--	--
Capital outlay	--	--	--
Total expenditures	75,707	2,725	7,807
Excess (deficiency) of revenues over (under) expenditures	(43,897)	4,672	2,045
OTHER FINANCING SOURCES (USES):			
Transfers in	60,151	--	--
Total other financing sources (uses)	60,151	--	--
Net change in fund balances	16,254	4,672	2,045
Fund balances, October 1	9,683	11,654	5,528
Fund balances, September 30	$ 25,937	$ 16,326	$ 7,573

Park Board Improvement	Library Board	Library Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
$ 8,500	$ --	$ --	$ 8,500
--	--	--	17,230
--	1,414	14,000	15,414
76	6	--	117
--	--	--	31,794
8,576	1,420	14,000	73,055
--	--	--	75,707
--	--	--	10,532
--	3,780	7,176	10,956
21,565	--	--	21,565
21,565	3,780	7,176	118,760
(12,989)	(2,360)	6,824	(45,705)
--	3,151	--	63,302
--	3,151	--	63,302
(12,989)	791	6,824	17,597
96,765	5,251	173	129,054
$ 83,776	$ 6,042	$ 6,997	$ 146,651

CITY OF HASLET, TEXAS

EXHIBIT C-5

PARK FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Interest	$ 10	$ 16	$ 6
Miscellaneous	25,950	31,794	5,844
Total revenues	25,960	31,810	5,850
EXPENDITURES:			
Current:			
Parks	79,100	75,707	3,393
Total expenditures	79,100	75,707	3,393
Excess (deficiency) of revenues over (under) expenditures	(53,140)	(43,897)	9,243
OTHER FINANCING SOURCES (USES):			
Transfers in	59,040	60,151	1,111
Total other financing sources (uses)	59,040	60,151	1,111
Net change in fund balances	5,900	16,254	10,354
Fund balances, October 1	9,683	9,683	--
Fund balances, September 30	$ 15,583	$ 25,937	$ 10,354

CITY OF HASLET, TEXAS

MUNICIPAL COURT BUILDING SECURITY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Fines	$ 6,000	$ 7,384	$ 1,384
Interest	25	13	(12)
Total revenues	6,025	7,397	1,372
EXPENDITURES:			
Current:			
Court	3,600	2,725	875
Total expenditures	3,600	2,725	875
Net change in fund balances	2,425	4,672	2,247
Fund balances, October 1	11,654	11,654	--
Fund balances, September 30	$ 14,079	$ 16,326	$ 2,247

CITY OF HASLET, TEXAS

EXHIBIT C-7

MUNICIPAL COURT TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Fines	$ 8,000	$ 9,846	$ 1,846
Interest	--	6	6
Total revenues	8,000	9,852	1,852
EXPENDITURES:			
Current:			
Court	7,450	7,807	(357)
Total expenditures	7,450	7,807	(357)
Net change in fund balances	550	2,045	1,495
Fund balances, October 1	5,528	5,528	--
Fund balances, September 30	$ 6,078	$ 7,573	$ 1,495

CITY OF HASLET, TEXAS

EXHIBIT C-8

PARK BOARD IMPROVEMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Park development fees	$ 5,000	$ 8,500	$ 3,500
Interest	115	76	(39)
Total revenues	5,115	8,576	3,461
EXPENDITURES:			
Current:			
Capital outlay	25,000	21,565	3,435
Total expenditures	25,000	21,565	3,435
Net change in fund balances	(19,885)	(12,989)	6,896
Fund balances, October 1	96,765	96,765	--
Fund balances, September 30	$ 76,880	$ 83,776	$ 6,896

CITY OF HASLET, TEXAS **EXHIBIT C-9**

LIBRARY BOARD FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Contributions	$ --	$ 1,414	$ 1,414
Interest	--	6	6
Total revenues	--	1,420	1,420
EXPENDITURES:			
Current:			
Library	3,500	3,780	(280)
Total expenditures	3,500	3,780	(280)
Excess (deficiency) of revenues over (under) expenditures	(3,500)	(2,360)	1,140
OTHER FINANCING SOURCES (USES):			
Transfers in	2,040	3,151	1,111
Total other financing sources (uses)	2,040	3,151	1,111
Net change in fund balances	(1,460)	791	2,251
Fund balances, October 1	5,251	5,251	--
Fund balances, September 30	$ 3,791	$ 6,042	$ 2,251

CITY OF HASLET, TEXAS

1999 INTEREST & SINKING FUND
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Property tax, penalties and interest	$ 293,250	$ 296,779	$ 3,529
Interest	200	175	(25)
Total revenues	293,450	296,954	3,504
EXPENDITURES:			
Debt service	288,258	286,959	1,299
Total expenditures	288,258	286,959	1,299
Net change in fund balances	5,192	9,995	4,803
Fund balances, October 1	47,157	47,157	--
Fund balances, September 30	$ 52,349	$ 57,152	$ 4,803

CITY OF HASLET, TEXAS

HASLET COMMUNITY AND ECONOMIC DEVELOPMENT CORP. (TYPE B)
DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund
ASSETS	
Cash and investments	$ 1,600,116
Intergovernmental	126,954
Inventories	957,820
Total Assets	$ 2,684,890
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 2,978
Customer deposits	2,250
Total Liabilities	5,228
Fund balances:	
Nonspendable	957,819
Committed	1,721,843
Total fund balances	2,679,662
Total Liabilities and Fund Balances	$ 2,684,890

CITY OF HASLET, TEXAS

EXHIBIT C-12

HASLET COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION (TYPE B)
DISCRETELY PRESENTED COMPONENT UNIT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
Sales tax	$ 475,000	$ 542,996	$ 67,996
Interest	1,500	1,366	(134)
Miscellaneous	45,000	42,900	(2,100)
Total revenues	521,500	587,262	65,762
EXPENDITURES:			
Current:			
Economic development	214,089	144,221	69,868
Parks	250,000	250,000	--
Total expenditures	464,089	394,221	69,868
Net change in fund balances	57,411	193,041	135,630
Fund balances, October 1	2,486,621	2,486,621	--
Fund balances, September 30	$ 2,544,032	$ 2,679,662	$ 135,630

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